

House File 672 - Reprinted

HOUSE FILE 672

BY COMMITTEE ON WAYS AND MEANS

(SUCCESSOR TO HF 634)

(SUCCESSOR TO HSB 201)

(As Amended and Passed by the House April 18, 2011)

A BILL FOR

1 An Act relating to wind and other sources of renewable energy
2 development and production.

3 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

1 Section 1. Section 476B.5, subsection 4, Code 2011, is
2 amended to read as follows:

3 4. The maximum amount of nameplate generating capacity of
4 all qualified facilities the board may find eligible under this
5 chapter shall not exceed ~~one hundred fifty~~ twenty-six megawatts
6 of nameplate generating capacity.

7 Sec. 2. Section 476C.1, subsection 6, paragraph d, Code
8 2011, is amended to read as follows:

9 *d.* Was initially placed into service on or after July 1,
10 2005, and before January 1, ~~2012~~ 2015.

11 Sec. 3. Section 476C.1, subsection 6, Code 2011, is amended
12 by adding the following new paragraphs:

13 NEW PARAGRAPH. *e.* For applications filed on or after July
14 1, 2011, is a facility of not less than three-fourths megawatts
15 of nameplate generating capacity or the energy production
16 capacity equivalent if all or a portion of the renewable energy
17 produced is for on-site consumption by the producer.

18 NEW PARAGRAPH. *f.* For applications filed on or after
19 July 1, 2011, except for wind energy conversion facilities,
20 is a facility of no greater than five megawatts of nameplate
21 generating capacity or the energy production capacity
22 equivalent.

23 Sec. 4. Section 476C.1, subsection 8, Code 2011, is amended
24 to read as follows:

25 8. "*Heat for a commercial purpose*" means the heat in British
26 thermal unit equivalents from refuse-derived fuel, methane, or
27 other biogas produced in this state either for commercial use
28 by a producer for on-site consumption or sold to a purchaser of
29 renewable energy for use for a commercial purpose in this state
30 or for use by an institution in this state.

31 Sec. 5. Section 476C.2, subsection 1, Code 2011, is amended
32 to read as follows:

33 1. A producer or purchaser of renewable energy may
34 receive renewable energy tax credits under this chapter in
35 an amount equal to one and one-half cents per kilowatt-hour

1 of electricity, or four dollars and fifty cents per million
2 British thermal units of heat for a commercial purpose, or
3 four dollars and fifty cents per million British thermal units
4 of methane gas or other biogas used to generate electricity,
5 or one dollar and forty-four cents per one thousand standard
6 cubic feet of hydrogen fuel generated by and purchased from
7 an eligible renewable energy facility or used for on-site
8 consumption by the producer.

9 Sec. 6. Section 476C.3, subsection 1, paragraph e, Code
10 2011, is amended to read as follows:

11 e. A Except when the renewable energy is produced for
12 on-site consumption by the producer, a copy of the power
13 purchase agreement or other agreement to purchase electricity,
14 hydrogen fuel, methane or other biogas, or heat for a
15 commercial purpose which shall designate either the producer
16 or purchaser of renewable energy as eligible to apply for the
17 renewable energy tax credit.

18 Sec. 7. Section 476C.3, subsection 3, Code 2011, is amended
19 to read as follows:

20 3. a. A facility that is not operational within thirty
21 months after issuance of an approval for the facility by
22 the board shall cease to be an eligible renewable energy
23 facility. However, a wind energy conversion facility that is
24 approved as eligible under this section but is not operational
25 within eighteen months due to the unavailability of necessary
26 equipment shall be granted an additional twenty-four months to
27 become operational.

28 b. A facility which notifies the board prior to the
29 expiration of the time periods specified in paragraph "a"
30 that the facility intends to become operational and wishes
31 to preserve its eligibility shall be granted a twelve-month
32 extension. An extension may be renewed for succeeding
33 twelve-month periods if the board is notified prior to the
34 expiration of the extension of the continued intention to
35 become operational during the succeeding period of extension.

1 c. If the owner of a facility discontinues efforts to
2 achieve operational status, the owner shall notify the board
3 within thirty days of such discontinuance that the owner no
4 longer seeks a tax credit pursuant to this chapter. Upon
5 receipt of such notification, the board shall no longer
6 consider the facility as an eligible renewable energy facility
7 under this chapter.

8 d. A facility that is granted and thereafter loses approval
9 may reapply to the board for a new determination.

10 Sec. 8. Section 476C.3, subsection 4, Code 2011, is amended
11 to read as follows:

12 4. a. The maximum amount of nameplate generating capacity
13 of all wind energy conversion facilities the board may find
14 eligible under this chapter shall not exceed three hundred
15 ~~thirty~~ sixty-three megawatts of nameplate generating capacity.

16 b. The maximum amount of energy production capacity
17 equivalent of all other facilities the board may find eligible
18 under this chapter shall not exceed a combined output of
19 ~~twentysixty-nine~~ megawatts of nameplate generating capacity
20 and one hundred sixty-seven billion British thermal units
21 of heat for a commercial purpose. Of the maximum amount of
22 energy production capacity equivalent of all other facilities
23 found eligible under this chapter, fifty-five billion British
24 thermal units of heat for a commercial purpose shall be
25 reserved for an eligible facility that is a refuse conversion
26 facility for processed, engineered fuel from a multicounty
27 solid waste management planning area. The maximum amount of
28 energy production capacity the board may find eligible for
29 a single refuse conversion facility is fifty-five billion
30 British thermal units of heat for a commercial purpose. Of
31 the maximum amount of energy production capacity equivalent
32 of all other facilities found eligible under this chapter,
33 an amount equivalent to sixteen megawatts of nameplate
34 generating capacity shall be reserved for eligible renewable
35 energy facilities incorporated within or associated with an

1 ethanol cogeneration plant, provided such a facility becomes
2 operational on or before July 1, 2016. Notwithstanding
3 subsection 3, in the event such a facility does not become
4 operational on or before July 1, 2016, the sixteen megawatts
5 of nameplate generating capacity reserved for such facilities
6 shall cease to be reserved.

7 Sec. 9. Section 476C.4, subsections 1 and 2, Code 2011, are
8 amended to read as follows:

9 1. A producer or purchaser of renewable energy may apply to
10 the board for the renewable energy tax credit by submitting to
11 the board all of the following:

12 a. A completed application in a form prescribed by the
13 board.

14 b. A copy of the determination granting approval of the
15 facility as an eligible renewable energy facility by the board.

16 c. A copy of a signed power purchase agreement or other
17 agreement to purchase electricity, hydrogen fuel, methane or
18 other biogas, or heat for a commercial purpose from an eligible
19 renewable energy facility which shall designate either the
20 producer or purchaser of renewable energy as eligible to apply
21 for the renewable energy tax credit.

22 d. Sufficient documentation that the electricity, heat for
23 a commercial purpose, methane gas or other biogas, or hydrogen
24 fuel has been generated by the eligible renewable energy
25 facility and sold to the purchaser of renewable energy.

26 e. To the extent the produced electricity, hydrogen fuel,
27 methane or other biogas, or heat for a commercial purpose is
28 used for on-site consumption, the requirements of paragraphs
29 "c" and "d" shall not be applicable. For such renewable energy
30 production, the owner must submit a certification under penalty
31 of perjury that the claimed amount of electricity, hydrogen
32 fuel, methane or other biogas, or heat for a commercial purpose
33 was produced by the eligible facility and consumed by the
34 owner.

35 e. f. Any other information the board deems necessary.

1 2. The board shall notify the department of the amount
2 of kilowatt-hours, British thermal units of heat for a
3 commercial purpose, British thermal units of methane gas or
4 other biogas used to generate electricity, or standard cubic
5 feet of hydrogen fuel generated and purchased from an eligible
6 renewable energy facility or generated and used by the producer
7 for on-site consumption. The department shall calculate the
8 amount of the tax credit for which the applicant is eligible
9 and shall issue the tax credit certificate for that amount or
10 notify the applicant in writing of its refusal to do so. An
11 applicant whose application is denied may file an appeal with
12 the department within sixty days from the date of the denial
13 pursuant to the provisions of chapter 17A.

14 Sec. 10. Section 476C.4, subsection 5, Code 2011, is amended
15 to read as follows:

16 5. The department shall not issue a tax credit certificate
17 if the facility approved by the board as an eligible renewable
18 energy facility is not operational within eighteen months after
19 the approval is issued, subject to the extension provisions of
20 section 476C.3, subsection 3.

21 Sec. 11. Section 476C.5, Code 2011, is amended to read as
22 follows:

23 **476C.5 Certificate issuance period.**

24 A producer or purchaser of renewable energy may receive
25 renewable energy tax credit certificates for a ten-year period
26 for each eligible renewable energy facility under this chapter.
27 The ten-year period for issuance of the tax credit certificates
28 begins with the date the purchaser of renewable energy first
29 purchases electricity, hydrogen fuel, methane gas or other
30 biogas used to generate electricity, or heat for commercial
31 purposes from the eligible renewable energy facility for
32 which a tax credit is issued under this chapter, or the date
33 the producer of the renewable energy first uses the energy
34 produced by the eligible renewable energy facility for on-site
35 consumption. Renewable energy tax credit certificates shall

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1 not be issued for renewable energy purchased or produced for
2 on-site consumption after December 31, ~~2021~~ 2024.